GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4295
ANSWERED ON:19.05.2006
LISTING OF PVT. BONDS
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

(a) whether a high level expert committee set up by the Finance Ministry has recommended mandatory listing of privately based bonds within 7 days of allotment and has also proposed uniform stamp duty across states for corporate bonds besides recommending tax benefits to encourage investments in these instruments;

(b) if so, the other main recommendations made by the panel; and

(c) the recommendations accepted by the Government?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes Sir.

(b) The other recommendations of the Committee included enhancing the issuer as well as investor base in corporate bond market, simplification of listing and disclosure norms, rationalisation of stamp duty and withholding tax, consolidation of debt, improving trading systems through introduction of an electronic order matching system, efficient clearing and settlement systems, a comprehensive reporting mechanism, developing market conventions and development of the securitised debt market.

(c) Recommendations of the Patil Committee have been accepted by the Government.